

involving the use of authority or funds for which it is responsible.

“(2) **ANNUAL REPORT.**—Each Head Start agency shall make available to the public a report published at least once in each fiscal year that discloses the following information from the then most recently concluded fiscal year, except that reporting such information shall not reveal personally identifiable information about an individual child or parent:

“(A) The total amount of public and private funds received and the amount from each source.

“(B) An explanation of budgetary expenditures and proposed budget for the following fiscal year.

“(C) The total number of children and families served and percent of average monthly enrollment, including the percent of eligible children served.

“(D) The results of the most recent review by the Secretary and the financial audit.

“(E) The percentage of enrolled children that received medical and dental exams.

“(F) Information about parent involvement activities.

“(G) The agency's efforts to prepare children for kindergarten.

“(H) Any other information required by the Secretary.

“(3) **PROCEDURAL CONDUCT.**—Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to—

“(A) establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits;

“(B) assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness;

“(C) guard against personal or financial conflicts of interest; and

“(D) define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.”, and

(2) by amending subsection (f) to read as follows:

“(f) **FACILITIES.**—

“(1) The Secretary shall establish uniform procedures for Head Start agencies to request approval to purchase facilities, or to request approval of the purchase (after December 31, 1986) of facilities, to be used to carry out Head Start programs. The Secretary shall suspend any proceedings pending against any Head Start agency to claim costs incurred in purchasing such facilities until the agency has been afforded an opportunity to apply for approval of the purchase and the Secretary has determined whether the purchase will be approved. The Secretary shall not be required to repay claims previously satisfied by Head Start agencies for costs incurred in the purchase of such facilities.

“(2) Financial assistance provided under this subchapter may not be used by a Head Start agency to purchase a facility (including paying the cost of amortizing the principal and paying interest on loans) to be used to carry out a Head Start program unless the Secretary approves a request that is submitted by such agency and contains—

“(A) a description of the consultation conducted by the Head Start agency with the providers in the community demonstrating capacity and capability to provide services under this subchapter, and of the potential for collaboration with such providers and the cost effectiveness of such collaboration as opposed to the cost effectiveness of the purchase of a facility;

“(B) a description of the site of the facility proposed to be purchased or that was previously purchased;

“(C) the plans and specifications of such facility;

“(D) information demonstrating that—

“(i) the proposed purchase will result, or the previous purchase has resulted, in savings when compared to the costs that would be incurred to acquire the use of an alternative facility to carry out such program; or

“(ii) the lack of alternative facilities will prevent, or would have prevented, the operation of such program;

“(E) in the case of a request regarding a previously purchased facility, information demonstrating that the facility will be used principally as a Head Start center, or a direct support facility for a Head Start program; and

“(F) such other information and assurances as the Secretary may require.

“(3) Upon a determination by the Secretary that suitable facilities are not otherwise available to Indian tribes to carry out Head Start programs, and that the lack of suitable facilities will inhibit the operation of such programs, the Secretary may authorize the use of financial assistance, from the amount reserved under section 640(a)(2)(A), to make payments for the purchase of facilities owned by such tribes. The amount of such a payment for such a facility shall not exceed the fair market value of the facility.”.

## **SEC. 12. PARTICIPATION IN HEAD START PROGRAMS.**

Section 645 of the Head Start Act (42 U.S.C. 9840) is amended—

(1) in subsection (a)—

(A) by amending paragraph (1)(B)(i) to read as follows:

“(i) programs assisted under this subchapter may include, to a reasonable extent, participation of children in the area served who would benefit from such programs, including children referred by child welfare services, but whose families do not meet the low-income criteria prescribed pursuant to subparagraph (A) (A homeless child shall be deemed to meet the low-income criteria.); and”, and

(B) by adding at the end the following:

“(3) The amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of an individual who is a member of the uniformed services for housing that is acquired or constructed under the authority of subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law, shall not be considered to be income for purposes of determining the eligibility of a child of the individual for programs assisted under this subchapter.

“(4)(A) Upon written request and pursuant to the requirements of this paragraph, a Head Start agency may use funds under section 640(a) to serve infants and toddlers if the agency submits an application to the Secretary containing the following information, as specified in rules issued by the Secretary—

“(i) the amount of funds under section 640(a) that are proposed to be used in accordance with section 645A(b);

“(ii) a community-wide needs assessment demonstrating how the use of such funds would best meet the needs of the community;

“(iii) a description of how the needs of pregnant women, and of infants and toddlers, will be addressed in accordance with section 645A(b), and with regulations prescribed by the Secretary pursuant to section 641A in areas including the agency's approach to child development and provision of health services, approach to family and community partnerships, and approach to program design and management;

“(iv) a description of how the needs of eligible Head Start children will be met in the community;

“(v) assurances that the agency will participate in technical assistance activities (including a planning period, start-up site visits, and national training activities) in the same manner as recipients of grants under section 645A; and

“(vi) evidence that the agency meets the same eligibility criteria as recipients of grants under section 645A.

“(B) An application that satisfies the requirements specified in subparagraph (A) shall be approved by the Secretary unless the Secretary finds that—

“(i) the agency lacks adequate capacity and capability to carry out an effective Early Head Start program; or

“(ii) the information provided under subparagraph (A) is inadequate.

“(C) Any Head Start agency approved under subparagraph (B) shall be considered to be an entity that receives assistance under section 645A, and such funds under (i) shall be subject to the same rules, regulations, and conditions as apply to recipients of grants under section 645A.

“(5)(A) Upon written request and pursuant to the requirements of this paragraph, a Head Start agency may consider children from low-income families to be eligible for participation in programs assisted under this subchapter if their family income is at or above the poverty line but below 130 percent of the poverty line, if the agency submits an application to the Secretary containing the following information, as specified in rules issued by the Secretary—

“(i) a description of how the needs of eligible Head Start children, as described in paragraph (1)(A) are being adequately met in the agency's service area;

“(ii) a description of outreach efforts to the community to reach full enrollment under the eligibility guidelines under paragraph (1), including using outreach efforts that are linguistically and culturally appropriate;

“(iii) assurance that the agency will prioritize serving children currently eligible under the guidelines under paragraph (1); and

“(iv) a description of why increasing the number of infants and toddlers being served, as described in paragraph (4), is not appropriate based upon the communitywide needs assessment or the agency's capability.

“(B) In approving such applications, the Secretary shall take into account the—

“(i) cost of living for families living the area served by the Head Start agency;

“(ii) the efforts the Head Start agency has undertaken to be fully enrolled under the eligibility criteria in paragraph (1); and

“(iii) the policies and procedures the Head Start agency will implement to ensure that children currently eligible under the criteria described under paragraph (1) will be prioritized.

“(C) No more than 20 percent of children served by such Head Start agency may be from families above the poverty line.”,

(2) in subsection (c) by striking “(age 3 to compulsory school attendance)”, and

(3) in subsection (d) by adding at the end the following:

“(4) Notwithstanding any other provision of this Act, an Indian tribe that operates both a Head Start program and an Early Head Start program under section 645A may, at its discretion, at any time during the grant period involved, reallocate funds between the Head Start program and the Early Head Start program in order to address fluctuations in client population, including pregnant women and children birth to compulsory school age. The reallocation of such funds between programs by an Indian tribe shall not serve as the basis for the Secretary to reduce a base grant (as defined in section 641A(g)(1)) for either program in succeeding years.”.

## **SEC. 13. EARLY HEAD START PROGRAMS.**

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended to read as follows:

### **“SEC. 645A. EARLY HEAD START PROGRAMS FOR FAMILIES WITH CHILDREN UNDER 3 YEARS OF AGE.**

“(a) **IN GENERAL.**—The Secretary shall make grants, in accordance with this section for programs (to be known as ‘Early Head Start programs’) that provide family-centered services for